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THE Livestock and Meat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE
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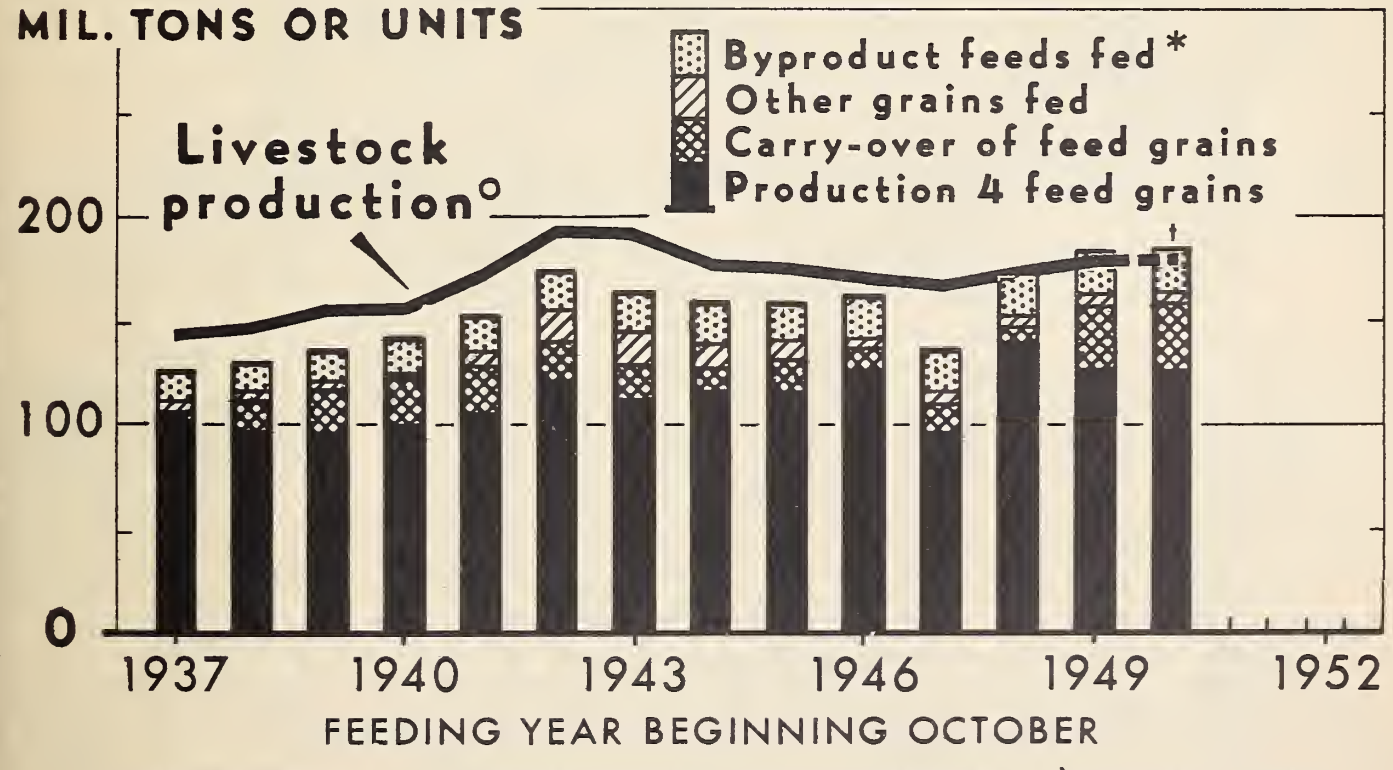


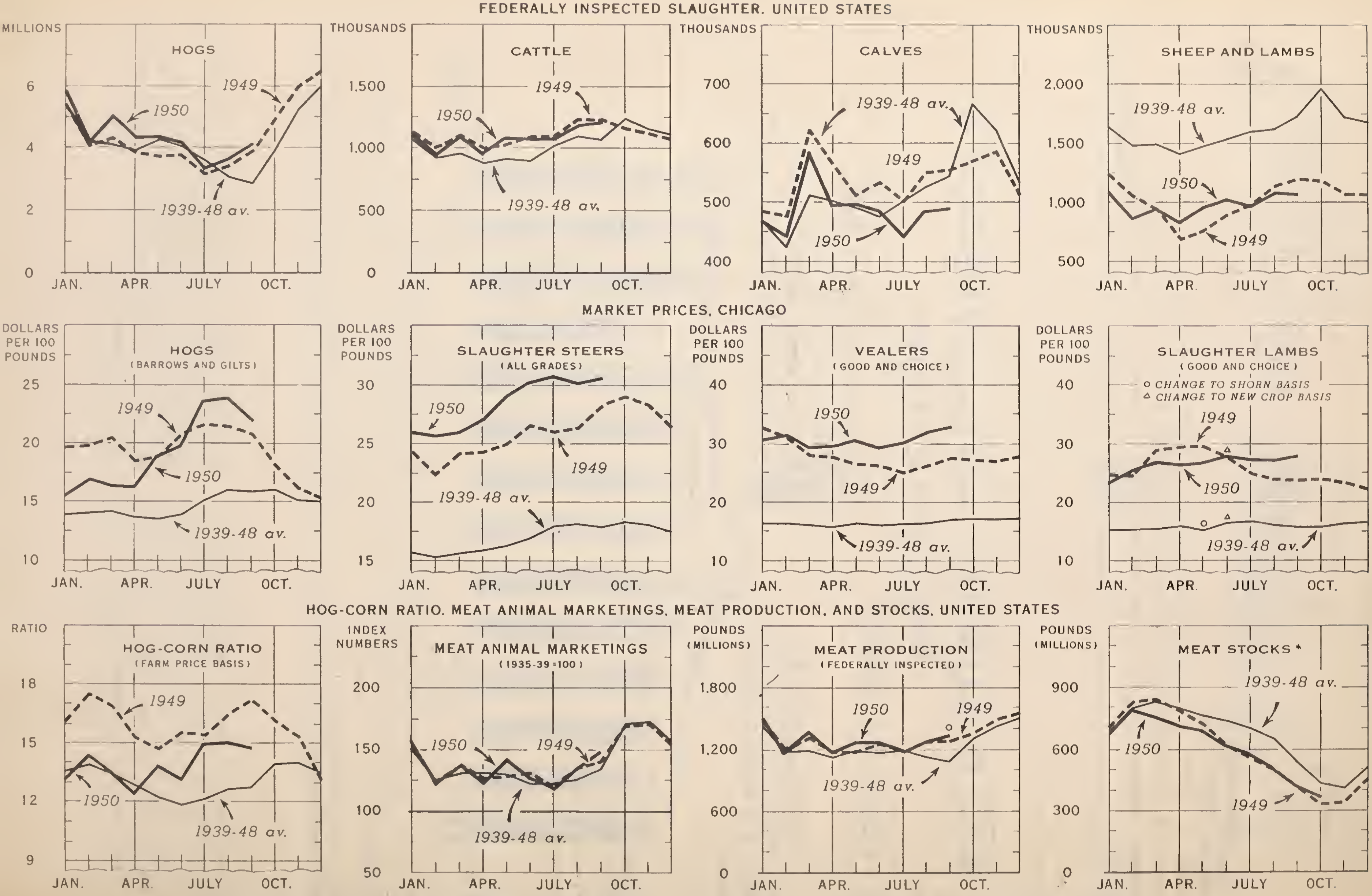
FEED SUPPLY AND LIVESTOCK PRODUCTION

*CONCENTRATE SUPPLY °UNITS, WEIGHTED BY GRAIN REQUIREMENTS †INDICATED OCTOBER 1

U. S. DEPARTMENT OF AGRICULTURE NEG. 46868-XX BUREAU OF AGRICULTURAL ECONOMICS

Another big feed supply—and prospects for another moderate increase in production of livestock and livestock products—is the situation at the beginning of the 1950–51 feeding year. The 1950 crops of feed grains were large, little more grain than last year has been carried over in farm and Government Stocks. With growing numbers of cattle on farms and of hogs raised, and with demand very strong, livestock production may increase enough next year to utilize all the 1950 crops and result in some reduction in the big carryover. It would be the third successive increase in aggregate livestock production.

LIVESTOCK AND MEAT SITUATION



* BEEF, LAMB AND MUTTON, PORK, AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES, BEGINNING OF MONTH
○ ESTIMATED

U. S. DEPARTMENT OF AGRICULTURE

NEG. 47561 BUREAU OF AGRICULTURAL ECONOMICS

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, October 18, 1950

SUMMARY

Meat production is expected to increase next year. The increase may be a little greater than the average of the past three years. Production in 1951 will be sufficient to supply somewhat larger military requirements and also provide for a civilian consumption of about 3 pounds more per capita than the 145 pounds expected to be consumed in 1950.

Practically all the increase in meat production next year will be in beef and pork. Little change is likely in production of veal or of lamb and mutton.

Present uptrends in numbers of hogs and cattle, the ample feed supply, and the strong demand for meat in prospect all point to an increase in meat production next year. The yearly pig crops have grown from 83 million head in 1946 to approximately 99 million in 1950. The spring crop in 1951 may continue the upward trend and may be about 5 percent larger than the 1950 spring crop. Slaughter weights of hogs this fall are a few pounds heavier than last fall and slightly heavier weights may continue in 1951.

Numbers of cattle and calves on farms, after increasing slightly in 1948, showed a gain of 2.0 million head in 1949 and a somewhat larger increase is probably being made in 1950. The increase in beef production expected next year would be the first significant increase in cattle slaughtered resulting from the present upswing in numbers on farms.

Feed supplies are ample. The supply of concentrates for the 1950-51 feeding year is nearly as large as in the year just completed. The 1950 crop of feed grains is a little smaller than the 1949 crop, but the storage carry-over of these grains is a little larger than last year. Supplies of byproduct feeds are not expected to be much different from last year. The supply of hay is very large. The 1950 crop is the second largest ever cut, and the total supply per roughage consuming animal unit is record high.

The 1950 corn crop is 260 million bushels below last year's crop and the quality is not as good as last year. Some corn will probably be withdrawn from storage stocks of both "free" corn and resealed old corn to provide for the increased livestock production this coming year. Although the price must reach or exceed the loan rate in order to draw appreciable supplies from storage, feed costs probably will not be unfavorable for livestock production.

New defense activities will probably bring larger consumer incomes and stronger demand for meat next year. But prices of meat animals may be only moderately higher than in 1950, since the larger production in prospect will be an offsetting influence. Prices of all classes of meat animals are likely to be higher. Any substantial rise would put meat animal prices in the range subject to control. Minimum control levels are generally near the actual prices of October this year.

OUTLOOK FOR MEAT IN 1951

Production of meat in 1951 is expected to be 3 to 5 percent larger than in 1950. Increases are quite likely for both beef and pork, but less so for veal. The larger supply of meat will provide for larger military requirements and will probably also allow for a small per capita increase for the civilian population.

Larger meat production next year is made possible by the recent expansion in numbers of hogs and cattle on farms and by ample feed supplies, and is encouraged by the stepped-up demand for meat that began last spring and which is expected to continue in 1951. Production may increase a little more next year than in each of the last two years.

An increase in production in 1951 would follow the gradual uptrend of the past few years. Since early in 1948, production has increased at about the same rate as the population, with the result that average consumption per person has been nearly steady except for seasonal variations. Annual consumption has held at around 145 pounds per person (tables 1, 2).

Production of *pork* may be up 5 to 7 percent next year. The recent increase in the demand for meat will have more effect on production of pork than of other meats, showing up both in larger pig crops and in heavier average slaughter weights of hogs in 1951. The spring pig crop this year was 3 percent above the previous spring crop, and the 1950 fall crop according to June 1 intentions may be 5 percent larger than last fall. Next spring's crop may show an increase of around 5 percent.

Table 1.- Total meat production by kind and civilian consumption per person, United States, 1937-41 average, by years 1942-51

Year	Meat production 1/					Civilian consumption	
	Beef	Veal	Lamb and mutton	Pork excl. lard	Total	Total	Per capita
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pounds
1937-41 av.	7,195	1,022	884	8,573	17,674	17,599	133.8
1942	8,843	1,151	1,042	10,876	21,912	18,451	139.5
1943	8,571	1,167	1,104	13,640	24,482	18,921	146.0
1944	9,112	1,738	1,024	13,304	25,178	19,827	153.5
1945	10,275	1,661	1,054	10,697	23,687	18,737	144.4
1946	9,373	1,440	970	11,173	22,956	21,367	153.4
1947	10,428	1,599	802	10,601	23,430	22,236	155.0
1948	9,079	1,412	750	10,205	21,446	21,258	145.4
1949	9,448	1,322	607	10,333	21,710	21,381	143.9
1950 2/	9,580	1,293	608	10,939	22,420	21,960	145.1
1951 3/	9,800	1,300	570	11,700	23,370	---	147.9

1/ Carcass weight equivalent of meat produced from total United States slaughter.
2/ Partly forecast.
3/ Forecast.

Beef production may be a little larger in 1951 than in 1950. For the past two or three years the number of cattle on farms has been increasing, but the number slaughtered each year has been nearly constant. In 1951, an increase in slaughter -- probably a rather small one -- may be realized.

Calf slaughter, which has declined for several years as cattle numbers were expanded, may not have reached its low point in 1950. Next year's slaughter, and the quantity of veal produced, is likely to be about equal to that of 1950.

Supplies of lamb and mutton, already at a record low, will continue small next year. It is possible that production of these two meats in 1951 may be even smaller than in 1950, if sheepmen withhold an unusually large proportion of lambs to rebuild flocks.

Table 2.- Meat production by class of slaughter, and meat consumption, by quarter-years, 1948-50

Period	Production					Consumption	
	Commercial			Farm	Total	Total	Per person
	Federally inspected	Other wholesale and retail	Total				
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Pounds
1948							
Jan.-Mar.	3,757	1,244	5,001	---	---	5,539	38.1
Apr.-June	3,426	1,187	4,613	---	---	5,220	35.7
July-Sept.	3,240	1,018	4,258	---	---	4,883	33.4
Oct.-Dec.	4,298	1,133	5,431	---	---	5,616	38.2
Year	14,721	4,582	19,303	2,143	21,446	21,258	145.4
1949							
Jan.-Mar.	3,962	1,058	5,020	---	---	5,477	37.1
Apr.-June	3,580	957	4,537	---	---	5,177	34.9
July-Sept.	3,707	997	4,704	---	---	5,145	34.6
Oct.-Dec.	4,383	1,070	5,453	---	---	5,582	37.3
Year	15,632	4,082	19,714	1,996	21,710	21,381	143.9
1950							
Jan.-Mar.	4,009	1,063	5,072	---	---	5,619	37.4
Apr.-June	3,741	996	4,737	---	---	5,338	35.3
July-Sept. 1/	3,817	1,001	4,818	---	---	5,170	34.1
Oct.-Dec. 1/	4,672	1,139	5,811	---	---	5,833	38.3
Year 1/	16,239	4,199	20,438	---	22,420	21,960	145.1

1/ Partly forecast.

Greater Increase Than Indicated Possible in 1951 Meat Supply

More meat than now indicated to be in prospect could be produced in 1951 if emergency requirements should necessitate it. Reserve supplies of feed could be utilized for the purpose, if additional feeding were encouraged by exceptionally favorable market trends or by special incentives such as those developed in the early 1940's. A production increase would be most feasible for hogs. This is true not only because hog numbers can be expanded faster than can other kinds of meat animals, but also because slaughter weights of hogs could be increased relatively more than weights of cattle or lambs.

Average slaughter weights of hogs have been declining for several years (table 3). An increase of several pounds in 1951 would add considerably to total pork production. However, feeding to heavier weights does not give proportionally larger returns because a large proportion of the increase obtained would be fat cuts and lard which are much less valuable products than lean pork.

A large increase in the supply of beef could be achieved in 1951 only by substantially increasing the slaughter of cattle that otherwise would be available for slaughter in later years. Further increases in slaughter weights from the current high levels do not seem likely.

Unusual weather conditions could affect the supply of meat in 1951. A severe drought, although not expected, would tend to force liquidation of herds and thus increase substantially the number of cattle and calves slaughtered and the quantity of beef and veal produced. Unusually favorable weather could result in more cattle being held on farms and ranches and fewer slaughtered than is now anticipated.

Table 3.- Average live weight per head for meat animals slaughtered under Federal inspection, 1938-49 and indicated 1950

Year	Cattle				Calves	Sheep and lambs	Hogs
	All cattle	Steers	Cows	Heifers			
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1938	921	---			189	85	233
1939	943	994			191	86	235
1940	940	992			191	86	232
1941	961	1,010			196	88	241
1942	954	1,001			208	89	245
1943	955	980			207	91	254
1944	924	954	932	767	218	89	244
1945	948	978	952	798	214	94	265
1946	943	960	953	812	199	94	255
1947	928	937	945	802	209	94	254
1948	945	968	948	813	209	94	253
1949	976	994	986	827	209	94	248
1950	983	990	1,003	822	212	97	246

Compiled from data of Livestock Branch, PMA.

Foreign Trade and Military Requirements Will Be Comparatively Minor, Under Peace

United States foreign trade in meat in 1949 and 1950 has been small in relation to total domestic production. Compared with the production this year at about 22,500 million pounds, imports will be around 300 million pounds, carcass weight equivalent, and exports will be about one-half that much. Although imports may be expected to increase, United States foreign trade will likely be comparatively small again in 1951, unless large overseas supply programs should develop.

Military requirements for meat in the last few years have been about 500 million pounds annually. Larger armed forces will require considerably more meat in 1951, but under peacetime conditions the increase in military requirements next year will be less than the increase in supply available.

Some Upward Pressure on Prices in 1951

Prices of meat and meat animals, always responsive to changes in consumer incomes, are expected to be higher next year if defense expenditures substantially increase consumer disposable incomes. Whether prices will go up much or little depends on the effect of military expenditures on the national economy. Assuming no serious inflation, prices of meat and meat animals may rise only moderately, because the larger meat production in prospect would be a restraining influence.

Demand for Meat Again Above Normal Relationship to Incomes

Prices of meats and meat animals sometimes change rapidly because of a shifting relationship of demand for meat to total consumer incomes. Under certain kinds of inflationary pressures, the retail value of meat consumed -- an indicator of demand -- rises more than does incomes. This was the experience in the summer of 1948 and again in the summer of 1950. Preliminary data indicate that the retail value of meat consumed in the third quarter of 1950 was 8 percent greater than in the same quarter of 1949. Disposable personal income was up by a smaller percentage. In 1949 the retail value of meat was down to the prewar average relationship to incomes, but in most of 1950 it has been above the prewar normal (table 4).

There are several reasons why consumers alter their demand for meat relative to their incomes -- reasons having to do with their relative preferences when their incomes change, and involving the various pricing mechanisms for foods and for industrial products and investment items.

Under conditions likely to prevail in 1951, demand for meat probably will remain high relative to incomes. As noted above, it is likely to be strong enough that prices will trend higher despite larger supplies.

Table 4.- Retail value of meat consumed compared with disposable personal income, by years 1937-41, 1947-50

Year 1/	Average retail price of meat per pound 2/	Retail value of meat consumed per person 3/		Disposable personal income per person		Retail value of meat as percentage of disposable income
		Value	Index number 1935-39=100	Value	Index number 1935-39=100	
	Cents	Dollars	Percent	Dollars	Percent	Percent
1937	28.9	31.30	107.5	548	107.5	5.7
1938	25.5	27.90	95.8	501	98.3	5.6
1939	24.6	28.40	97.5	533	104.6	5.3
1940	22.9	28.40	97.6	570	111.8	5.0
1941	26.8	33.30	114.4	686	134.5	4.9
1947	56.2	75.34	258.9	1,170	229.4	6.4
1948	62.6	78.88	271.1	1,278	250.6	6.2
1949	56.8	70.74	243.1	1,249	244.9	5.7
1950 4/	56.9	73.16	251	1,292	253	5.7

1/ War years omitted because price control and other circumstances prevented normal relationships between prices and income.

2/ Weighted average of retail prices of all important cuts. This weights the price for each meat in each year by the quantity consumed in that year.

3/ Computed from estimated retail weight of each meat consumed per civilian consumer.

4/ First half of 1950 at seasonally adjusted annual rate.

Price Controls Could Affect Prices of Meat and Meat Animals

Price controls, if applied, would have a direct effect on prices of meat and meat animals in 1951. Under the Defense Production Act of 1950, price ceilings can be no lower than either the highest price received between May 24 and June 24, 1950, or the parity price, whichever is higher, as adjusted for season, grade and location. Under this rule, minimum ceilings on beef cattle, veal calves and lambs would be determined by the highest actual prices in the May 24-June 24 period, since prices received by farmers have been well above parity. In the next year, parity is likely to be a factor only in the formula for hogs. As of the middle of September, prices of meat animals were generally not far from the minimum ceilings applicable under the price control act. Although at present price levels minimum ceilings would have little effect, any substantial increases in prices from these levels would put prices in the range subject to control.

If the outlook for somewhat higher prices in 1951 proves correct, ceilings imposed at their minimum level would likely have some effect.

Table 5.- Market price per 100 pounds for selected classes of meat animals, by years, 1946-49, by months 1950

Period	Beef steers for slaughter, Chicago					Cows, Chicago, Good grade	Vealers, Chicago, Good and Choice	Stocker & feeder steers, Kansas City 1/	Barrows & gilts, all weights, Chicago	Lambs		Slaughter ewes, Good and Choice, Chicago
	Choice and Prime	Good	Medium	Common	All grades					Slaughter, Good and Choice, Chicago	Feeding, Good and Choice, Omaha	
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
1946	20.24	19.32	17.36	13.75	19.13	15.04	16.87	15.87	18.42	18.65	16.46	8.25
1947	30.64	26.22	21.76	18.04	25.83	18.48	24.98	20.81	25.21	23.59	20.76	9.17
1948	35.24	30.96	26.31	22.16	30.88	23.18	29.02	25.54	23.27	25.96	22.36	11.59
1949	28.65	26.07	23.17	19.77	25.80	18.79	27.64	21.34	18.62	25.45	23.06	10.83
1950												
Jan.	36.80	28.14	24.13	20.44	25.98	17.50	30.66	22.94	15.54	23.20	23.64	12.22
Feb.	34.70	27.19	24.13	21.55	25.58	19.27	31.23	24.13	16.85	25.52	25.12	13.04
Mar.	32.24	27.33	24.51	22.13	25.90	20.60	29.59	25.32	16.41	26.38	26.59	13.99
Apr.	30.94	27.66	25.21	22.99	26.94	21.00	29.46	25.79	16.33	26.54	---	13.18
May	31.34	29.19	27.10	24.44	29.02	22.92	30.58	27.19	18.96	26.89	---	10.96
June	31.34	29.99	27.86	24.68	30.13	22.98	29.22	27.44	19.68	27.65	---	8.99
July	31.63	30.62	28.68	24.16	30.67	23.63	30.10	27.48	23.55	27.37	---	9.32
Aug.	31.37	29.97	28.02	23.51	30.09	23.07	31.84	26.90	23.86	27.21	27.42	11.51
Sept.	32.00	30.32	28.07	24.08	30.57	23.29	32.95	26.90	21.81	27.72	28.50	13.01

1/ Average for all weights and grades.

Data for earlier years may be found in the Livestock and Meat Situation for February 1950, pp. 42-44.

Longer-Term Trends Are for Lower Prices Under Stable Incomes

If personal incomes level off toward the end of 1951, prices of meat and meat animals might show gradual declines relatively soon thereafter. The declines would be adjustments to the increases in production as well as to some changes in demand. Hog prices in the spring of 1950 were down considerably from levels reached in the summer of 1948. Cattle and sheep prices have held more nearly level (table 5). In the next period of relatively stable incomes, some further reduction in hog prices might occur. Cattle prices would be the next to trend downward. Due to rising numbers of cattle on farms and in numbers slaughtered, prices may drop considerably when increasing personal incomes are no longer a counteracting factor. Prices of sheep and lambs are probably in the strongest long-time position. Numbers of these animals are so small that consumer demand is likely to take all lamb and mutton production at relatively high prices for quite a long time to come.

FEED SUPPLIES FOR 1950

Feed supplies continue abundant. The supply of concentrate feeds -- feed grains, wheat and rye fed, and byproduct feeds -- for the 1950-51 year is estimated at 180 million tons. This is 2 million tons less than the supply in the 1949-50 year just ended, and is a near all-time record feed supply (table 6).

The supply of hay is also large. The 1950 crop was estimated at 108 million tons in October, the second largest crop ever cut. With a carry-over of 15 million tons last May 1, the total supply is 123 million tons, second only to the 124.4 million tons in 1945. In terms of the number of roughage-consuming livestock to be fed, which are fewer than in 1945, the current hay supply is the largest ever.

The 1950-51 feed supply will provide for all the livestock production in prospect for the coming year, and would permit even greater production.

Of the 180 million tons of concentrates estimated as the 1950-51 supply, 155 million tons are feed grains (corn, oats, barley, and grain sorghums). Last year, the feed grain supply including small quantities imported was 157 million tons. A little less of the supply this year than last was obtained from the current crop, and slightly more from carry-over. The 1950 corn crop, although larger than any crop raised before 1946, is 260 million bushels smaller than the 1949 crop. The 1950 crops of oats, barley and grain sorghums were all above those of 1949, but their combined increase was less than the decrease in the corn crop.

The livestock production in prospect for 1951 will probably draw on some of the feed grain reserves, particularly of corn. The 1950 corn crop of 3,118 million bushels is a little below the approximately 3,300 million bushels used domestically and exported in the 1949-50 year and probably will be less than the prospective total utilization expected in 1950-51 by 200 to 300 million bushels. Reserves of both "free" corn and resealed corn from crops of previous years will probably be drawn on.

Table 6.- Feed concentrate balance, units of livestock production, and animal units fed, feeding year beginning October, 1939-50

Item	Unit	1939	1940	1941	1942	1943	1944
Supply							
Production, 4 feed grains 1/	Mil.tons	95.8	98.6	105.1	120.8	112.1	116.7
Stocks beginning of crop year 2/	Mil.tons	20.7	22.8	23.1	18.5	17.8	11.6
Wheat and rye fed	Mil.tons	4.9	2.7	5.6	12.7	13.7	8.7
Other grains fed 3/	Mil.tons	.2	.3	.3	2.3	2.1	1.9
Byproduct feeds for feed	Mil.tons	14.9	16.3	16.7	18.5	18.8	19.0
Total supply	Mil.tons	136.5	140.7	150.8	172.8	164.5	157.9
Utilization							
Concentrates fed	Mil.tons	102.7	108.2	118.7	142.3	138.8	128.9
Other uses	Mil.tons	11.1	11.2	13.6	13.3	12.8	15.2
Total utilization	Mil.tons	113.8	119.4	132.3	155.6	151.6	144.1
Total utilization adjusted to crop year basis	Mil.tons	113.7	117.6	132.3	155.0	152.9	143.0
Stocks at end of crop year	Mil.tons	22.8	23.1	18.5	17.8	11.6	14.9
Number of grain-consuming animal units fed	Millions	156.0	156.0	167.3	192.4	193.2	173.7
Units of livestock production	do.	153.4	155.3	170.0	193.5	191.3	176.4
		1945	1946	1947	1948	1949	1950 4/
Supply							
Production, 4 feed grains 1/	Mil.tons	114.4	124.3	95.4	138.3	125.8	123.4
Stocks beginning of crop year 2/	Mil.tons	14.9	10.9	13.8	7.7	30.3	31.0
Wheat and rye fed	Mil.tons	8.0	4.4	5.9	4.2	5.0	5.0
Other grains fed 3/	Mil.tons	.2	.1	.1	.6	.8	1.0
Byproduct feeds for feed	Mil.tons	17.7	19.5	19.0	20.0	20.5	20.2
Total supply	Mil.tons	155.2	159.2	134.2	170.8	182.4	180.6
Utilization							
Concentrates fed	Mil.tons	133.3	124.2	112.1	124.0	132.9	135.1
Other uses of feed grains	Mil.tons	13.3	19.3	13.6	17.7	17.2	19.0
Total utilization	Mil.tons	146.6	143.5	125.7	141.7	150.1	154.1
Total utilization adjusted to crop year basis	Mil.tons	144.3	145.4	126.5	140.5	151.4	155.6
Stocks at end of crop year	Mil.tons	10.9	13.8	7.7	30.3	31.0	25.0
Number of grain-consuming animal units fed	Millions	167.8	161.4	155.7	162.7	169.0	170.0
Units of livestock production	do.	174.8	169.6	165.0	171.4	177.0	179.0

1/ Corn, oats, barley and sorghum grains.
2/ Stocks in all positions of corn October 1, and oats and barley July 1.
3/ Imported grain fed.
4/ Partly forecast.

Corn moves out of sealed reserves in volume when prices reach or exceed the loan rate. A considerable quantity of corn has been withdrawn from price support since July. Further withdrawals appear likely during the latter part of the October-September feeding year. The price may be below the loan rate during the remaining months of 1950 but a rising price is expected during the winter. The year-average price for corn is expected to be higher than in 1949-50 and may about equal the loan rate.

If livestock production should expand more than now seems likely, the price of corn would probably move farther above the loan rate. If crop conditions are normal no extreme advance would occur in 1950-51, however, because corn reserves are large. An increased demand for feed has less effect on prices when sizable reserves are on hand than when they are lacking, for in the latter case feeders must bid competitively for the limited supply available.

The quality of the 1950 corn crop is not so good as in the past two years. Due to late planting dates and a cool growing season, there is considerable soft corn in some areas of the Corn Belt.

The supply of byproduct feeds is expected to be about as large in the 1950-51 feeding year as in the year just ended. Reductions in output of cottonseed, linseed and peanut meals will be offset by an increase in soybean meal. However, because the supply of byproduct feeds is likely to be little if any larger than in 1949-50, the increase in livestock production expected in the year ahead will necessarily come entirely from use of more feed grains, hay, and pasture.

THE OUTLOOK FOR HOGS IN 1951

Hog Production Likely to Expand Further

Prospects are for hog production to be expanded again next year. The 1951 spring pig crop may be up about 5 percent from the 1950 spring crop of 60 million pigs, and the 1951 spring and fall crops combined may pass the 100-million mark.

The annual pig crop has increased from 83 million pigs saved in 1946 -- then a six-year low -- to 99 million in 1950; a peacetime record. The only larger crops were those of two war years, when extra production was encouraged to fill special wartime needs.

The additional hog production in prospect for 1951 is traceable almost entirely to strengthened demand for meat and a favorable feeding ratio. Were it not for the increase in demand this spring and summer and its expected continuation in 1951, hog production would probably have leveled off in the coming year. Postwar adjustments in hog numbers preceeded those for cattle and sheep. Not only had hog numbers increased rapidly from their postwar low, but slaughter weights had returned close to prewar averages, and prices had been reduced substantially. The average weight of hogs slaughtered commercially dropped from 248 pounds in 1947 to about 239 pounds in 1950. The price of hogs received by farmers in March this year was $16.10 per 100 pounds, a reduction of $10.00, or almost 40 percent, from the March price three years earlier. This big change in price was caused mainly by a scaling down of demand. Demand for lean pork fell off considerably after hitting a postwar peak and demand for fatty cuts and lard dropped a good deal more. The price of lard in March this year was about 60 percent below the March 1947 price.

Table 7.- Pig crops and hog slaughter, average 1937-41, by years 1942-51

Year	Pig crop			Hog slaughter 1/
	Spring	Fall	Total	
	1,000 head	1,000 head	1,000 head	1,000 head
Average:				
1937-41	46,801	30,428	77,229	65,642
1942	61,093	43,810	104,903	78,547
1943	74,223	47,584	121,807	95,226
1944	55,754	30,905	86,659	98,068
1945	52,189	34,593	86,782	71,891
1946	52,392	30,548	82,940	76,244
1947	52,802	31,345	84,147	74,710
1948	51,266	33,921	85,187	71,936
1949	58,426	37,262	95,688	75,293
1950	60,079	2/39,000	2/99,079	3/80,570
1951				4/84,900

1/ Total, including farm slaughter, for the same calendar year.
2/ Based on farmers' intentions for fall farrowing as reported June 1, and on a 1939-48 average size of litter for the fall crop with allowance for trend. Number rounded to nearest 500,000 head.
3/ Partly forecast.
4/ Forecast.

Slaughter Weights May be Heavier

If consumers' incomes rise as anticipated in the forthcoming year, adding to demand for meat, average slaughter weights of hogs may be expected to be heavier than this year. The continuation of favorable prices for hogs would encourage producers to hold them for heavy weights since there would be less risk of a sharp price break during the longer feeding period.

Based on the present scale of hog production and that expected next year, with allowance for slightly heavier slaughter weights, pork production appears likely to be 5 to 7 percent higher in 1951 than in 1950. The increase may be fairly uniform, season for season throughout the year. Production early in 1951 will reflect the 3 percent increase over a year earlier in the 1950 spring pig crop, together with some increase in slaughter.

weights. Production in the spring and summer reflect the size of the 1950 fall crop, for which an increase of 5 percent over that of the previous year was indicated last June. In the fall of 1951 an increase in the 1951 spring crop, which may be around 5 percent, will show up in pork production.

Pork production could probably be expanded more than now indicated in 1951, if conditions warranted. The most immediate result could come by holding hogs to heavier slaughter weights. A serious disadvantage is the higher proportion of fat--the less valuable product--in the heavier carcasses. The more desirable, but slower, method is to raise more hogs for slaughter at average weights.

Stronger Demand May Bring Some Increase in Price

Demand may be strong enough next year to lift prices of hogs moderately above their 1950 level. The margin of increase would be substantial in the early months, since prices in those months of 1950 were comparatively low. In late 1951, the gain over 1950 would be smaller, unless demand should continue on a steadily upward course and no price controls are invoked. The possible effects of price control are discussed on page 6.

This outlook is based on the assumption that demand for pork and lard relative to consumers' incomes has returned to a more normal relationship. If this is correct, each increment in incomes this next year would add to the demand for pork. A rising trend in incomes would therefore result in somewhat higher prices despite a moderate increase in the number of hogs produced.

At the prices for hogs in prospect, the corn-hog ratio will probably remain substantially above average. It has been above average each month since June 1948.

THE OUTLOOK FOR BEEF CATTLE IN 1951

Increase in Both Cattle Slaughter and Number on Farms in Prospect for 1951

Prospects are that somewhat more cattle will be slaughtered next year than in 1950, and that if range conditions continue favorable cattle inventory numbers will also be increased. Most of the expected increase in slaughter will probably occur in the second half of the year. A gain in cattle slaughter next year would be the first of any appreciable size since numbers on farms began to climb in 1948. Numbers on farms have now expanded sufficiently to provide for a moderate increase in slaughter and a further increase in inventory next year.

The cattle industry has been operating at a high level of production for several years. The calf crop in 1949 was at the high percentage of 85 per 100 cows, and a good crop was probably obtained in 1950. The number of calves slaughtered has been declining each year since 1947, thus providing more animals for addition to breeding herds or for slaughter later as mature cattle. Moreover, average slaughter weights for cattle have been heavier than average. Not only have large numbers of steers been fed to high finish and heavy weight, but the average weight of cows slaughtered under Federal inspection in 1950 has been the heaviest since records began in 1944, and heifer weights also have been heavier than usual.

Table 8.- Number of cattle and calves on farms January 1, calf crop, and number slaughtered, average 1937-41, annual 1942-50

Year	Number of cattle and calves on farms January 1					Calf crop	Number slaughtered	
	All cattle and calves	For milk		Not for milk			Cattle	Calves
		Total	Cows	Total	Cows			
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1937-41 av.	67,488	35,814	24,822	31,674	10,569	29,291	15,215	9,428
1942	76,025	38,837	26,313	37,188	12,578	34,388	18,033	9,718
1943	81,204	40,240	27,138	40,964	13,980	34,797	17,845	9,940
1944	85,334	41,257	27,704	44,077	15,521	37,040	19,844	14,242
1945	85,573	40,849	27,770	44,724	16,456	35,176	21,691	13,645
1946	82,434	39,093	26,695	43,341	16,319	34,489	19,824	12,168
1947	81,207	38,469	26,098	42,739	16,469	35,234	22,393	13,695
1948	78,126	37,175	25,039	40,951	16,000	33,708	19,186	12,328
1949	78,298	36,528	24,416	41,770	15,982	34,537	18,789	11,345
1950 1/	80,277	37,265	24,625	43,012	16,786		2/18,900	2/10,900

1/ Preliminary.

2/ Partly estimated.

Since the meat output of the cattle industry is high in relation to current inventory numbers there is less likelihood of attaining a further increase in beef production than is the case with hogs. The possibility of increasing production through heavier weights offers little promise. More than the moderate increase in beef production now indicated for 1951 could be realized only at the expense of reducing cattle numbers and thus potential production in future years.

After rising only slightly in 1948, numbers of cattle and calves increased 2.0 million head during 1949. At least another 2 million and possibly around 3 million will be added to herds in 1950. Except when halted by drought, most upswings in cattle numbers have lasted for several years. This previous experience, together with prospects that demand will continue strong, indicates that cattle and calf numbers will probably increase further in 1951. If conditions remain favorable, numbers may continue to increase for several years.

Table 9.- Specified average prices and costs in the feeding of steers in the Corn Belt, 1941-50

Item	Season								
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Average price per 100 pounds for Good grade beef steers sold out of first hand, Chicago, April-July	13.59	15.52	15.91	16.15	17.46	25.26	32.59	25.40	29.36
Subsidy per 100 pounds				.29	.38				
Average cost of feeder steers at Kansas City per 100 pounds, August-December	9.82	12.08	11.52	11.56	12.91	16.37	21.75	25.00	20.65
Average price per bushel of corn, North Central States, September-July	.711	.862	1.039	1.009	1.175	1.490	2.201	1.259	1.174
Average price per ton received by farmers for alfalfa hay, North Central States September-July 1/	10.45	11.31	16.34	17.39	15.54	22.37	24.37	25.25	21.68
Average wholesale price per ton for soybean meal, 41 percent protein, Chicago, September-July	41.61	41.21	51.90	52.00	58.32	76.78	94.19	74.06	75.85
	Total value								
Market value at Chicago of Good grade beef steers, market weight 1,050 pounds	142.70	162.96	167.06	169.58	183.33	265.23	342.20	266.70	308.28
Subsidy credit				3.04	3.99				
Market value plus subsidy	142.70	162.96	167.06	172.62	187.32	265.23	342.20	266.70	308.28
Market cost at Kansas City of 700 pound feeder steers	68.74	84.36	80.64	80.92	90.37	114.59	152.25	175.00	144.55
Cost of transportation from market to feeder	2.55	2.55	2.55	2.55	2.55	2.55	2.73	3.61	3.96
Cost of 45 bushels of corn	32.00	38.79	46.76	45.40	52.88	67.05	99.04	55.76	52.83
Cost of 0.75 tons of alfalfa hay	7.84	8.48	12.26	13.04	11.66	16.78	18.28	18.94	16.26
Cost of 150 pounds of soybean meal	3.12	3.09	3.89	3.90	4.37	5.76	7.06	5.55	5.69
Transportation and marketing expense	5.91	5.93	6.01	6.00	6.07	6.27	7.57	8.65	8.97
Total of cost items shown 2/	120.16	143.40	152.11	151.81	167.90	213.00	286.93	267.51	232.26
Margin of market value of steers over total of cost items shown 2/	22.54	19.56	14.95	20.81	19.42	52.23	55.27	-0.81	76.02

1/ Price for loose hay through 1945-46; for baled hay 1946-47 to date. Prices for 1946-47 and 1947-48 estimated from price paid for baled alfalfa hay, United States. 2/ Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. The feed ration and prices shown are designed to be fairly representative of average feeding experience in the Corn Belt, but do not necessarily coincide with the experience of individual feeders. Data for earlier years may be found in October issue each year.

Other factors in this uptrend in cattle numbers are the prolonged decline in numbers of workstock, which compete for forage, the low numbers of sheep, and the expansion in cattle numbers in regions such as the South and the Corn Belt. Widespread drought in any of the major cattle producing areas would tend to cause some forced marketings of cattle, thereby increasing slaughter and reducing numbers on farms. Such a condition in 1951, while not expected, must be recognized as a possibility.

Cattle Feeding Due to Continue Large

The strong demand for beef and the ample supply of feed at close to last year's prices make a continued high level of cattle feeding likely this winter and through most or all of 1951. About the only factor restraining feeding operations is the limited supply of feeder cattle and calves. Probably in no previous year has the demand for cattle for breeding and for feeding competed so sharply. Evidence for this is the price of both breeding and feeding cattle. Occasionally this year prices of cows and heifers have exceeded even the very high prices in the summer of 1948. Prices of stocker and feeder steers this past summer were at record highs.

The movement of feeder cattle into feed lots since July 1 is substantially below the record movement of last year but higher than in most previous years. The fall run of cattle from the range areas is later than the unusually early movement last year and is expected to take place largely during October and November. The type of cattle reported in recent shipments indicate a continued tendency toward long-term feeding since a larger than usual proportion were light weight steers and calves.

A high percentage of grain-fed cattle in the slaughter supply will result in heavy average slaughter weights again in 1951 and will be important in maintaining both the quantity and quality of the beef supply for the year.

Returns from cattle feeding were unusually favorable during the 1949-50 feeding season. Feeder cattle prices in the fall of 1949 were below the average of the past few years, and feed costs were low in relation to the price of slaughter steers. Feeders who were able to take advantage of these low costs and sold fat cattle at the April-July average price realized unusually high returns on their feeding operations.

It is highly unlikely that returns from cattle feeding this winter and spring will be as large as they were this past feeding season. Prices of stocker and feeder cattle this fall have averaged about $7.00 per 100 pounds higher than a year earlier. For returns to match those of the past season, prices of cattle for slaughter would have to increase from present levels and be materially higher at the selling season next year than at the same time in 1950.

With the expected larger slaughter of cattle and output of beef, increases in personal incomes now in view for 1951 point to only moderate increases in prices of cattle. Another reason for expecting no great price rise is the greater likelihood for price controls to be put into effect if commodity price trends are sharply upward.

Numbers About the Same; No Increase in Lamb and Mutton Production Likely Next Year

The numbers of sheep and lambs on farms and ranches next January 1 will not be greatly different from those of last January. If there is no reduction this year it will mark the end of a decline beginning in 1942, and during which total sheep numbers fell from a record high of 56.2 million head to a record low of 30.8 millions in 1950.

A small addition to numbers during 1951 appears probable. Resources are available for more sheep and prices are favorable. Production of lamb and mutton next year may be about equal to the 1950 production which was the smallest since 1925. Average consumption per person of 3.9 pounds in 1950, the lowest on record, would thus drop to a new low in 1951. Supplies of lamb and mutton can not be expected to increase much until sheep and lamb numbers have moved up considerably from their present point.

Table 10.- Sheep and lambs on farms and ranches January 1, number slaughtered during year and annual wool production, average 1937-41, annual 1942-50

Year	Number January 1				Slaughter		Shorn wool productio
	Stock sheep	On feed: Eleven Corn Belt States	On feed: All States	Total	Total	Sheep as percentage of total Fed. insp. slaughter of sheep and lambs	
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	Percent	Mil.lb.
1937-41 av.	45,879	3,223	5,979	51,857	21,874	6.7	367
1942	49,346	3,844	6,867	56,213	25,585	13.0	388
1943	48,196	4,309	6,954	55,150	27,073	21.0	379
1944	44,270	3,962	6,512	50,782	25,355	16.5	338
1945	39,609	4,354	6,911	46,520	24,639	20.9	308
1946	35,599	4,215	6,837	42,436	22,814	16.8	280
1947	32,125	3,693	5,693	37,818	18,766	13.8	253
1948	29,976	2,843	4,851	34,827	17,439	16.3	234
1949	27,651	2,468	4,003	31,654	13,872	10.3	217
1950 1/	27,064	2,384	3,733	30,797	13,500	11.0	218

1/ Preliminary estimates. Slaughter partly forecast.

Prices of lambs have been steady this summer and fall, showing no seasonal decline of note, and are several dollars per cwt. above last fall's prices. Since there is a continuing demand for the small supply of lamb and mutton, a strong price position for sheep and lambs seems assured, not only for next year but in the longer future as well. Prices will probably advance next year in line with the rise in personal incomes. Prices of wool have risen sharply this year and in September the price received by farmers, at 62.2 cents per pound, was 15.3 cents per pound above a year earlier and 2.2 cents above the previous high in 1918. Wool production in this country will necessarily remain low until sheep and lamb numbers are increased. Moreover, United States and world stocks of wool have been reduced in recent years and wool is regarded as strategically important. The price outlook is fully as favorable for wool as for sheep and lambs.

THE OUTLOOK FOR HORSES AND MULES

Numbers Still Going Down

Substitution of tractor power for horses and mules goes on apace. Horse numbers were reduced by 588,000 head in 1949, and the 5.3 million on farms January 1, 1950 were only one-fourth those of thirty years ago. Numbers are decreasing again in 1950. Although a floor to numbers will eventually be reached, the small colt crops of the past several years indicate that it is not yet in sight.

Numbers of mules have been reduced less relative to their inventories than have numbers of horses. Prices of mules also have been maintained better than have prices of horses. Average mule prices on January 1, 1950 were 26 percent lower than five years earlier, but prices of horses were down 30 percent.

Table 11.- Horses and mules: Number on farms, January 1, by age groups, United States, average 1937-41, by years 1942-50

Year	Horses			Mules			Horses and mules		
	Under 1 year	Over 1 year	Total	Under 1 year	Over 1 year	Total	Under 1 year	Over 1 year	Total
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1937-41 av.	647	10,074	10,721	114	4,049	4,163	761	14,123	14,884
1942	503	9,370	9,873	130	3,652	3,782	633	13,022	13,655
1943	402	9,203	9,605	112	3,514	3,626	514	12,717	13,231
1944	364	8,828	9,192	98	3,323	3,421	462	12,151	12,613
1945	313	8,402	8,715	87	3,148	3,235	400	11,550	11,950
1946	240	7,813	8,053	65	2,945	3,010	305	10,758	11,063
1947	207	7,042	7,249	51	2,721	2,772	258	9,763	10,021
1948	188	6,401	6,589	41	2,500	2,541	229	8,901	9,130
1949	170	5,728	5,898	30	2,318	2,348	200	8,046	8,246
1950 1/	142	5,168	5,310	22	2,131	2,153	164	7,299	7,463

1/ Preliminary.

Selected Price Statistics for Meat Animals 1/

Item	Unit	Jan.-Sept.		1949	1950	
		1949	1950	Sept.	Aug.	Sept.
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Choice and Prime	100 pounds	27.41	32.48	31.33	31.37	32.00
Good	do.	25.36	28.93	28.22	29.97	30.32
Medium	do.	22.90	26.41	23.01	28.02	28.07
Common	do.	19.99	23.11	17.83	23.51	24.08
All grades	do.	25.17	28.32	28.11	30.09	30.57
Omaha, all grades	do.	24.02	27.04	25.95	29.10	29.67
Sioux City, all grades	do.	23.96	27.24	26.52	29.16	29.83
Cows, Chicago						
Good	do.	19.22	21.58	18.22	23.07	23.29
Common	do.	2/15.84	18.60	2/14.44	20.11	20.26
Canner and Cutter	do.	3/14.79	16.09	3/13.55	17.72	17.42
Vealers, Good and Choice, Chicago	do.	27.78	30.60	27.40	31.84	32.95
Stocker and feeder steers, Kansas City	do.	22.04	26.01	19.74	26.90	26.90
Price received by farmers						
Beef cattle	do.	20.21	22.53	19.70	24.10	24.70
Veal calves	do.	23.34	25.62	21.90	27.40	28.00
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	20.50	18.95	19.14	22.76	20.26
180-200 pounds	do.	20.91	19.58	20.31	23.90	21.45
200-220 pounds	do.	20.98	19.74	20.95	24.32	21.98
220-240 pounds	do.	20.80	19.65	21.20	24.33	22.30
240-270 pounds	do.	20.37	19.32	21.25	24.08	22.32
270-300 pounds	do.	19.71	18.82	20.91	23.35	22.09
All weights	do.	20.21	19.22	20.76	23.86	21.81
Seven markets 4/	do.	20.07	19.21	20.55	23.89	21.84
Sows, Chicago	do.	16.72	16.48	18.41	20.32	20.12
Price received by farmers	do.	19.08	18.21	19.80	21.60	21.10
Hog-corn price ratio 5/						
Chicago, barrows and gilts	do.	15.0	13.3	15.8	15.6	14.2
Price received by farmers, all hogs	do.	15.9	13.9	17.1	15.0	14.7
Sheep and lambs						
Sheep						
Slaughter ewes, Good and Choice, Chicago	do.	10.89	11.80	8.94	11.51	13.01
Price received by farmers	do.	9.61	10.69	8.61	10.90	11.70
Lambs						
Slaughter, Good and Choice, Chicago	do.	26.28	26.53	23.57	27.21	27.72
Feeding, Good and Choice, Omaha	do.	6/22.94	7/26.25	23.21	27.42	28.50
Price received by farmers	do.	23.17	24.04	21.60	24.90	25.60
All meat animals						
Index number price received by farmers						
(1910-14=100)		319	334	319	369	372
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Good, 500-600 pounds	100 pounds	41.31	45.92	46.82	48.10	48.39
Lamb carcass, Good, 30-40 pounds	do.	50.97	8/51.33	47.52	51.60	52.56
Composite hog products, including lard						
72.84 pounds fresh	Dollars	22.00	20.57	22.07	24.57	23.20
Average per 100 pounds	do.	30.20	28.24	30.30	33.73	31.85
71.32 pounds fresh and cured	do.	25.54	23.76	26.41	27.80	27.04
Average per 100 pounds	do.	35.81	33.31	37.03	38.98	37.91
Retail, United States average	Cents					
Beef, Good grade	per pound	66.0	---	69.0	77.8	---
Lamb	do.	68.8	---	66.9	70.7	---
Pork, including lard	do.	41.9	---	44.5	46.0	---
Index number meat prices (BLS)						
Wholesale (1926=100)		225	---	230	258	---
Retail (1935-39=100)		230	---	242	258	---

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.
2/ Cutter and Common.
3/ Average for prices of Cutter and Common, and of Canner (Low Cutter).
4/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, and S. St. Paul.
5/ Number bushels of corn equivalent in value to 100 pounds of live hogs.
6/ Average of prices for August and September.
7/ Average of prices for January, February, March, August and September.
8/ Average of 45-50 pound lambs for all months but January, July, August and September.

Selected marketing, slaughter and stocks statistics for meat animals and meats 1/

Item	Unit	Jan.-Sept. 1949	Jan.-Sept. 1950	1949 Sept.	1950 Aug.	1950 Sept.	1950 Oct.
Meat animal marketings							
Index number (1935-39=100)		131	134	139	134	148	
Stocker and feeder shipments to 8 Corn Belt States							
Cattle and calves	1,000 head	1,758	1,642	586	239	447	
Sheep and lambs	do.	1,662	1,833	534	355	576	
Slaughter under Federal inspection							
Number slaughtered							
Cattle	do.	9,884	9,673	1,224	1,184	1,196	
Calves	do.	4,786	4,384	552	484	488	
Sheep and lambs	do.	8,846	8,771	1,180	1,076	1,063	
Hogs	do.	35,592	38,941	3,879	3,626	4,137	
Percentage sows	Percent	17		17	31		
Average live weight per head							
Cattle	Pounds	979	2/984	956	974	2/973	
Calves	do.	201	2/204	247	241	2/246	
Sheep and lambs	do.	94	2/ 97	91	93	2/ 93	
Hogs	do.	253	2/249	234	259	2/233	
Average production							
Beef, per head	do.	538	2/541	513	536	2/531	
Veal, per head	do.	112	2/114	135	134	2/136	
Lamb and mutton, per head	do.	44	2/ 46	43	44	2/ 43	
Pork, per head 3/	do.	142	2/139	134	144	2/135	
Pork, per 100 pounds live weight 3/	do.	56	2/ 56	57	55	2/ 57	
Lard, per head	do.	38	2/ 36	32	38	2/ 30	
Lard, per 100 pounds live weight	do.	15	2/ 15	14	14	2/ 14	
Total production							
Beef	Million pounds	5,290	2/5,222	625	632	2/647	
Veal	do.	535	2/ 499	74	65	2/ 68	
Lamb and mutton	do.	388	2/ 401	50	47	2/ 46	
Pork 3/	do.	5,036	2/5,395	518	519	2/565	
Lard	do.	1,333	2/1,397	123	136	2/124	
Total commercial slaughter 4/							
Number slaughtered							
Cattle	1,000 head	13,468	---	1,673	1,615	---	
Calves	do.	8,080	---	930	836	---	
Sheep and lambs	do.	9,771	---	1,299	1,194	---	
Hogs	do.	43,201	---	4,729	4,435	---	
Total production							
Beef	Million pounds	6,902	---	821	828	---	
Veal	do.	904	---	121	108	---	
Lamb and mutton	do.	426	---	55	52	---	
Pork 3/	do.	6,029	---	628	624	---	
Lard	do.	1,507	---	142	155	---	
Cold storage stocks first of month							
Beef	do.	---	---	65	61	73	78
Veal	do.	---	---	7	6	7	8
Lamb and mutton	do.	---	---	7	6	6	6
Pork	do.	---	---	283	394	304	239
Total meat and meat products 5/	do.	---	---	451	543	466	406

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.

2/ Estimated from weekly data.

3/ Excludes lard.

4/ Federally inspected, and other wholesale and retail.

5/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

U. S. Department of Agriculture
Washington 25, D. C.

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